

Tilburg University

Guest editorial

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Published in:
European Labour Law Journal

Publication date:
2014

Document Version
Early version, also known as pre-print

[Link to publication in Tilburg University Research Portal](#)

Citation for published version (APA):
Bekker, S. (2014). Guest editorial. *European Labour Law Journal*, 5(1), 3.

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GUEST EDITORIAL

This first issue of *the European Labour Law Journal* of 2014 coincides with renewed optimism about the European economy and its labour markets. There is a slight economic recovery, unemployment rates are stabilising and the expectation is that unemployment will decrease in 2015. Such forecasts contain good news for job seekers who have found themselves to be out of the labour market for too long. Simultaneously, the EU attempts to revamp its social model. Since 2011, the Commission's Annual Growth Survey aims at tackling unemployment and the social consequences of the crisis. In February 2013 the Commission launched a Social Investment Package, while in the fall of last year it presented ideas to develop the social dimension of the Economic and Monetary Union.¹ Yet, such plans and ideas need to be converted into real actions. In this sense, the major initiative to fight youth unemployment will be an important test case to see whether the EU is able to make a positive difference in the social domain of member states. The Commission, supported by the European Parliament, the Council, and the European social partners, urges member states to implement a Youth Guarantee that should offer young people a decent job, internship or further education within four months of unemployment. Member states may apply for financial assistance from the European Social Funds when developing and implementing their Youth Guarantee. Moreover, the Commission has launched a public consultation on the Europe 2020 strategy, which invites all citizens to give their opinion on the EU's most important socio-economic policy agenda. Such initiatives are welcome, as it is high time to start recovering from the social crisis as well.

Although the publication of this special issue coincides with some encouraging developments, such optimism might not always fit the labour law reality at the national level. Over the past years, structural reforms and austerity measures have affected workers' rights and social security entitlements considerably. In this sense, the collection of articles in this special issue gives in-depth analyses of labour law after the crisis. It includes countries that are among the ones hit hardest by the crisis: Spain, Ireland and Greece. These studies are complemented by an analysis of recent developments in Germany, which gives an account of a country that has been affected by the crisis much less. The special issue also deals with the changing socio-economic governance and regulation

¹ See for instance the speech on "Future of a social Europe" of Commissioner Andor for the ETUC 40th anniversary conference 'Celebrating the past, looking to the future', 29 January 2013; Commission's Communication *Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014–2020*, COM(2013), 83 final; L. Andor (2013), 'Developing the social dimension of a deep and genuine Economic and Monetary Union', European Policy Centre Policy Brief 13 September 2013.

at the EU-level and poses the question how these changes impact employment and social policies, and to what extent they meet the principles of legitimacy and democracy. The contributions of *López, de le Court & Canalda* and of *Suárez Corujo* deal with recent Spanish labour law reforms. Both contributions agree that Spain has lost important securities for workers, faces a weakened collective bargaining structure, and has enhanced labour market flexibility considerably. *Suárez Corujo* speaks about the new Spanish model of ‘flexinsecurity’ while *López et al.* use the term ‘flexiprecarity’, classifying the Spanish model not only to be at odds with flexicurity principles, but also in dissonance with the *acquis communautaire* and international labour law. *Balamoti* views that the strict austerity programme for Greece, which was a conditionality for a bailout, has contributed to a dramatic deterioration of the standard of living, leaving almost one third the population vulnerable to poverty or social exclusion. *Doherty* shows similar poor social results stemming from bailout packages in the Irish case, where autonomous social partnership in setting terms and conditions of employment has been undermined. Putting aside the social partners as important actors to agree on employment conditions, he argues, runs counter to various guarantees of social partner autonomy under European law. The case of Germany gives a contrasting perspective, where economic recovery set in as early as 2009, and where unemployment is lower than before the crisis. *Brecht-Heitzmann and Röns* analyse that a range of governmental and entrepreneurial measures cushioned the economic crisis, among which the extension and expansion of short-time allowance, the promotion of further training and the expansion of job placement.

Doherty ends his article with the question “what remains of social Europe after the crisis?” This introduction has started with some hopeful prospects to revive the European social model. Yet, looking behind positive European averages, and exploring the social state of individual countries, important diverging trends emerge. While Austria is likely to have unemployment rate of 4.8% in 2014, Greece is expected to have an unemployment rate of 26%.² Such diverging trends are also visible when looking at social exclusion and poverty. In 2012, there are 8.7 million Europeans more at-risk-of-poverty or social exclusion than there were in 2008, which amounts to 25.1% of the EU-28 population.³ Austerity measures and structural reforms have severely impacted the working and personal life of many Europeans, as most articles of this special issue display. *Bekker and Klosse* give an overview of the new EU-level instruments and legislation that have been implemented following the crisis. They argue that instruments to enhance economic governance have an impact on employment and social policies as well. Formerly non-binding or soft recommendations in this field have now been linked to coordination mechanisms that may result in imposing sanctions on member states if these perpetually fail to meet EU targets. For instance, wage-developments

² EC (2014), Spring 2014 forecast: Growth becoming broader-based, IP/14/513, 05/05/2014.

³ EC (2013), Draft joint employment report accompanying the communication from the commission on annual growth survey 2014Brussels, COM(2013) 801 final, 13.11.2013.

are addressed within the context of the macro-economic imbalances procedure. This begs the question how wage-recommendations formulated in the context of a binding economic procedure, relate to EU law on social partner autonomy. Yet, the closer alignment of fiscal, economic, employment and social policy issues does not necessarily downgrade employment and social policy to *ad hoc* items within budgetary surveillance cycles. Rather, there is a mixed picture, with some room for a social dimension in economic coordination cycles. Still, *Balamoti* finds that the implementation of the new EU economic governance increases the tension with important principles of democracy and legitimacy. She argues that a political debate should be launched regarding the institutional reorganization of the current EU economic governance structure, including enhancing the role of the European Parliament.

By bringing together a range of in-depth studies on changing labour law after the crisis, this special issue provides input for a discussion on improving prospects for social Europe. The critical accounts of the labour law reality in European member states give important input for seeing how the deterioration of some labour law provisions and social security entitlements may fail to give workers and citizens sufficient support, in the end also undermining economic strength. Yet, it provides us also with examples of arrangements that help people and companies to cushion the effects of a crisis and to cope with the demands of modern labour markets. The articles remind us of important norms we have agreed upon in the Treaty and in policies, such as the autonomy of social partners, democracy, legitimacy, and flexicurity policies that really attribute as much importance to security as to flexibility. The fact that the crisis put severe pressure on social Europe, yet did not make it disappear totally, gives a basis to in (re) build social Europe. It is promising that the Commission has started prioritising social Europe. Yet, somehow we should make sure that plans and ideals are put into practice.

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